

**STATEMENT OF ELIZABETH A. HASKINS,
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TESTIMONY BEFORE

**THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
SUBCOMMITTEE ON AVIATION**

MARCH 16, 2004

Mr. Chairman and distinguished Members, it is a privilege to appear before you today on behalf of the men and women of Signature Flight Support, and to be afforded the opportunity to testify on the important issue of reopening Ronald Reagan Washington National Airport to business aviation. Reagan National was, until September 11, 2001, one of the most important business aviation portals in the country. I appreciate the continuing interest of Members of Congress, including this Committee and those who represent the Washington Metropolitan area, in restoring business aviation to Reagan National and in compensating those who have suffered substantial losses as a result of its closure more than 2 years ago.

SIGNATURE'S ROLE AT REAGAN NATIONAL

Signature Flight Support is the world's largest network of fixed based operations ("FBO") for business aviation services. Signature products and services include fueling, ground handling, passenger services, and maintenance. Signature operates at 60 airports worldwide including 42 United States airports and is the sole provider of business aviation services at Reagan National. Signature employs more than 1,700 employees who safely and efficiently support more than 1.7 million aircraft

movements a year. As Reagan National's sole business aviation FBO, Signature handled an average of 175 flights per day, and employed 55 aviation service professionals -- before September 11, 2001. Signature was the gateway to the Washington, D.C. metropolitan area for thousands of business aviation travelers, including Members of Congress, Fortune 500 executives, and public sector leaders.

Two employees now handle approximately 20 flights per month. During the last six months, virtually all of these flights have been government officials. The flights have included aircraft belonging to the Bureau of Immigration and Customs Enforcement, the Drug Enforcement Agency, the FBI, NASA, miscellaneous dignitaries, and an increasing number of state governments.

THE BAN ON BUSINESS AVIATION AT REAGAN NATIONAL SHOULD BE LIFTED

Signature supports the re-opening of Reagan National to business aviation. We believe the Administration can, and should, adopt a plan to lift the ban on business aviation at Reagan National for two key reasons. First, the closure to business aviation continues to cause economic and political harm, which could be corrected by restoring business aviation to Reagan National. Second, business aviation can operate safely and securely in a post 9/11 environment at Reagan National and Signature is fully prepared to make necessary, reasonable modifications to assure the highest level of security. Additionally, it is appropriate for the Federal government to compensate Signature and other affected businesses for the losses suffered as a result of the ban on business aviation at Reagan National.

CONTINUING ECONOMIC AND POLITICAL DAMAGE FROM BAN ON BUSINESS AVIATION

Signature believes that the restoration of business aviation at Reagan National is necessary to end the continued loss of jobs and revenue affecting businesses

operating at Reagan National and the economy of the Washington, D.C. metropolitan area. The elimination of 60,000 business aviation flights a year and the massive curtailment of operations associated with those flights means not only the loss of business aviation industry jobs, but also translates into the loss of a major source of income to the D.C. hospitality and transportation industries. Many millions of dollars in revenue have already been lost by the D.C. hospitality industry. The disappearance of business aviation travelers through Reagan National continues to prolong the already significant losses suffered by hotels, catering services and restaurants, taxicab and car services, and other related businesses in and around Reagan National and throughout the Washington Metropolitan area.

Although Signature's rent has been abated by the Metropolitan Washington Airports Authority, we have suffered substantial losses to revenues and workforce. In the twenty-nine months of closure (to February 2004), Signature Flight Support alone has lost after tax profits, offset by gains at our Washington Dulles and Baltimore facilities, exceeding \$10 million. Additionally, with our facility closed, we have been forced to lay off almost all of our employees at Reagan National.

The harm, however, is not just economic. By depriving general aviation of access to Reagan National we restrict citizen access to the government. It seems particularly unfair that only the government is currently allowed to use this public facility, a right that is denied to all other Americans. In a letter to President Bush urging the renewal of general aviation access to Reagan National, Virginia Senators John Warner and George Allen aptly noted, "Unless we reopen Reagan National fully, we have accepted a significant modification in the way we conduct business in the Washington capital area that reduces our access and freedom. A permanent

reduction in our access to the nation's capital . . . can only be seen as a victory for our enemies and a blow to working people in our economy.”¹ While some may see Reagan National's proximity to the capital as its greatest liability, we see it as its greatest strength, a strength that is undercut by denying general aviation traffic.

Since the restoration of commercial operations less than a month after the 9/11 attacks, Reagan National has stood as a symbol of the Nation's refusal to be intimidated by terrorists, and of our determination to carry on the Nation's business as normally as possible. President Bush expressed this resolve on October 2, 2001, when he announced the restoration of commercial operations: “This is the airport that brings our Nation's leaders to Washington to do the people's business . . . By opening this airport, we're making yet another statement to the terrorists – You can't win.” Signature and the rest of the business aviation community share this determination; however, the reality is otherwise until we achieve a *truly* full restoration of service at Reagan National.

BUSINESS AVIATION CAN USE REAGAN NATIONAL SAFELY AND SECURELY

For eight months, the Department of Transportation worked actively, with other federal security agencies and aviation industry groups on a new set of security procedures to reopen Reagan National to business aviation in accord with President Bush's desire to return the airport to business as usual. However, on July 19, 2002; the aviation community was informed that Reagan National would be closed to general aviation indefinitely because of security precautions.

¹ April 18, 2002, Letter to President Bush.

Signature believes that business aviation can be safely restored at Reagan National and all local area airports. Business aviation, in particular, is inherently more secure and less threatening than commercial operations. We believe that business aviation can be as, if not more, secure than commercial aviation now operating at Reagan National. The pilots and passengers relying on business aviation at Reagan National are typically a small group -- airfield operators know the pilots and the pilots know their passengers. It is unfortunate and frustrating that the Administration cannot recognize the compelling argument that the business aviation pilots and passengers are more secure than the majority of users of commercial aviation, and that effective procedures can be implemented to guarantee security to the Washington area.

Signature, as well as others in the industry, can be a key player in assuring that business aviation at Reagan National is safe and secure. We stand ready to work on any necessary modifications with all applicable agencies to assure the highest level of security for business aviation at Reagan National.

Finally, the standards for federal funding of business aviation security should be the same as those for commercial aviation. Both are equally important matters of national security and key elements of our national air transportation system and economy. There should be no reason to distinguish the two by expending Federal money on one while requiring private funding for the other.

COMPENSATION FOR THE CLOSURE IS NEEDED AND APPROPRIATE

The Fifth Amendment to the Constitution provides that no "private property shall be taken for public use without just compensation." The closure to business aviation and its affect on Signature is legally known as a regulatory taking. The

business aviation shutdown has left Signature with a facility and a business that cannot possibly be used for any other purpose. Given this situation, it is appropriate for the Federal government to compensate Signature and other affected business for the losses that have resulted. Compensation should be paid for the actual losses incurred during the closure of Reagan National.

Congress recognized the immediate need for compensation in the wake of 9/11, when it passed the 2001 Emergency Supplemental, which appropriated \$40 million to the Metropolitan Washington Airports Authority to compensate its concessionaires for the temporary closure and reduced commercial flight scheduled at Reagan National immediately after 9/11. However, no funds were made available to businesses that continued to suffer substantial losses at Washington area airports. This failure can and should be addressed this year.

Congress recognized the importance of compensating businesses for the significant losses suffered as a result of the closure of business aviation. This Committee, in particular, was instrumental in adopting a provision for the reimbursement of losses incurred by general aviation entities in the FAA reauthorization bill, The Vision 100--Century of Aviation Reauthorization, which was passed by the House and the Senate last fall and signed by the President in December.

Specifically, the provision states, "the Secretary of Transportation may make grants to reimburse the following general aviation entities for the security costs incurred and revenue foregone as a result of the restrictions imposed by the Federal Government following the terrorist attacks on the United States that occurred on September 11, 2001 ... to general aviation entities that operate at Ronald Reagan

Washington National Airport.”² The statute also provides that \$100,000,000 is authorized to be appropriated for reimbursements to carry out the section.³

Additionally, the bill addressed the re-opening of Reagan National once the Secretary of Homeland Security has developed and implemented a security plan to permit general aviation aircraft to land and take off at Ronald Reagan Washington National Airport.

Signature appreciates the Committee’s focus on the important issue of restoring business aviation to Reagan National, and in compensating those who have suffered substantial losses as a result of its closure more than 2 years ago. We hope your attention will help to *truly* restore full service, including business aviation, to Reagan National as quickly as possible.

Thank you for the opportunity to testify today. I will be pleased to respond to your questions.

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² Public Law No 108-176 (H.R. 2115) (December 12, 2003).

³ Public Law No 108-176 (H.R. 2115) (December 12, 2003).